

**ROBB EVANS OF
ROBB EVANS & ASSOCIATES LLC
Receiver of I Works, Inc., et al. and
the Assets of Jeremy Johnson**

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**Federal Trade Commission v. Jeremy Johnson, I Works, Inc., et al.
CASE No. 2:10-CV-02203-RLH-GWF**

Notice of Filing of First Omnibus Motion for Order:

- (1) Approving and Confirming Sales of Real and Personal Property and for Related Relief; and**
- (2) Granting Relief from Local Rule 66-5 Pertaining to Notice to Creditors**

Filed February 3, 2012

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12
13 **UNITED STATES DISTRICT COURT**

14 **DISTRICT OF NEVADA**

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16 FEDERAL TRADE COMMISSION,
17 Plaintiff,
18 v.
19 JEREMY JOHNSON, etc., et al.,
20
21 Defendants.

Case No. 2:10-CV-02203-RLH-GWF

**NOTICE OF FILING OF FIRST
OMNIBUS MOTION FOR ORDER (1)
APPROVING AND CONFIRMING
SALES OF REAL AND PERSONAL
PROPERTY AND FOR RELATED
RELIEF; AND (2) GRANTING RELIEF
FROM LOCAL RULE 66-5
PERTAINING TO NOTICE TO
CREDITORS**

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25 PLEASE TAKE NOTICE that Robb Evans of Robb Evans & Associates LLC
26 (“Receiver”), the Receiver pursuant to the Court’s Preliminary Injunction Order issued February
27 10, 2011, has filed with the Court his Notice of Motion and First Omnibus Motion for Order (1)
28 Approving and Confirming Sales of Real and Personal Property and for Related Relief; and (2)

1 Granting Relief from Local Rule 66-5 Pertaining to Notice to Creditors (“First Omnibus Sale
2 Motion”) pursuant to which the Receiver seeks the following relief:

3 **Vehicles**

4 1. An order approving and confirming the Receiver’s proposed sale of two vehicles,
5 consisting of a 2010 Toyota Tundra (“Tundra”), VIN No. 5TFUM5F13AX001154 and a 2009
6 Subaru Forrester, VIN No. JF2SH63609H748915 (“Subaru”), both registered to I Works, “as is,
7 where is, with all faults,” and without representations or warranties of any kind or nature by
8 public auction to be conducted by the auction firms of Statewide Auction Company (“Statewide”)
9 as to the Tundra and R.L. Spear & Co. (“Spear”) as to the Subaru (collectively Statewide and
10 Spear are referred to as the Auctioneers), and in connection therewith:

11 (a) Authorizing the Receiver to engage the Auctioneers and to pay auction
12 commissions and related sales expenses to Statewide pertaining to the sale of the Tundra in the
13 amount of 15% of the gross sales price of that vehicle and to Spear pertaining to the sale of the
14 Subaru in the amount of 15% of the gross sales prices of that vehicle;

15 (b) Authorizing the vehicles to be sold for cash or cash equivalent to the
16 highest bidder for each vehicle and to be sold in connection with public auctions of other vehicles
17 and personal property to be conducted by the respective Auctioneers in accordance with such
18 Auctioneers’ respective notice, publication and bidding procedures employed in connection with
19 such auctions, and without further notice, hearing or order of this Court;

20 (c) Authorizing the Receiver to execute all documents and instruments
21 necessary or convenient to complete, implement, and effectuate the sales of the Tundra and the
22 Subaru, including without limitation any documents necessary or convenient to transfer title
23 thereto;

24 **Coins**

25 2. An order approving and confirming the Receiver’s proposed sale of coins and
26 precious metals of the Corporate Defendants (collectively “Coins”) as set forth on the Sahara
27 Coins & Extraordinary Collectibles Appraisal dated March 14, 2011 (“Coin Appraisal”) attached
28 as Exhibit 1 to the Declaration of Kenton Johnson for cash or cash equivalent, “as is, where is,

1 with all faults,” and without representations or warranties of any kind or nature by private sale to
2 California Numismatic Investments as buyer (“Coin Buyer”) for an amount equal to the published
3 spot “buy” price listed on the Coin Buyer’s web site, www.golddealer.com, for purchase of the
4 applicable Coins at the time of sale, and in connection therewith:

5 (a) Authorizing the Receiver to sell the Coins on or after the date of entry of an
6 order granting the First Omnibus Sale Motion and authorizing such sale, on a date to be
7 determined by the Receiver in his sole and absolute discretion, opinion and judgment;

8 (b) Authorizing the Receiver to execute all documents and instruments
9 necessary or convenient to complete, implement, and effectuate the sale of the Coins, including
10 without limitation any documents necessary or convenient to transfer title thereto;

11 **Richfield Property**

12 3. An order approving and confirming the Receiver’s proposed sale of the real
13 property located at 545 and 561 South Main, Richfield, Utah (“Richfield Property”)¹ to Jared L.
14 Jenson (“Richfield Buyer”) by private sale for the sum of \$225,000.00 cash pursuant to the terms
15 of that certain Real Estate Purchase Contract dated as of October 24, 2011, Addendum No. 1 to
16 Real Estate Purchase Contract with Addendum and Additional Terms, Addendum No. 3 to Real
17 Estate Purchase Contract, and Limited Agency Consent Agreement attached collectively as
18 Exhibit 7 to the Declaration of Kenton Johnson (collectively the “Richfield Purchase
19 Agreement”) “as is, where is, with all faults,” and without representations or warranties of any
20 kind or nature as more fully set forth in the Richfield Purchase Agreement and without further
21 notice, hearing or order or overbidding, and in connection therewith:
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24 ¹ This property includes three structures and there is a variance in the common, street address for
25 this property. The Receiver has been advised by its real estate broker that there have been
26 changes made by the City of Richfield to the street addresses in the area. The address of which
27 the Receiver was originally appraised and which appears in the Receiver’s Report filed February 8,
28 2011 and in the Receiver’s Sale Authority Motion (Doc. No. 227 and related pleadings) was 575
South Main, Richfield, Utah; however, the common address used in the sale contract is 545 and
561 South Main, Richfield, Utah. The properties are one and the same – there is only one
property located in Richfield, Utah owned by JDK, Inc., an entity owned 100% by Jeremy
Johnson, that is part of the receivership estate.

1 (a) Authorizing the Receiver to execute all documents and instruments
2 necessary or convenient to complete, implement, effectuate and close the sale of the Richfield
3 Property to the Richfield Buyer, including but not limited to the deed conveying title to the
4 Richfield Property;

5 (b) Authorizing the Receiver to permit and/or cause to be paid from the
6 proceeds of sale of the Richfield Property all ordinary and customary closing costs, all costs and
7 expenses required to be paid under the terms of the Richfield Purchase Agreement by the seller
8 from the proceeds of sale, all commissions provided for in the Richfield Purchase Agreement and
9 the Receiver's Exclusive Listing Agreement for the property attached as Exhibit 5 to the
10 Declaration of Kenton Johnson in support of the First Omnibus Sale Motion, all real property tax
11 liens outstanding and prorated real property taxes due up to the date of closing, and the balance
12 due under the first deed of trust dated January 12, 2006 in favor of Bijan Talebreza as beneficiary;

13 (c) Authorizing the Receiver to complete the sale of the Richfield Property
14 without further notice, hearing, order or overbidding under the circumstances and based on the
15 limited equity available in the Richfield Property for the estate, estimated to be approximately
16 \$37,000.00, and the accruing debt service and taxes that are eroding the equity for the estate;

17 **Right of Way Contract (3 Parcels in Washington County, Utah)**

18 4. An order authorizing the Receiver to enter into that certain Right of Way Contract
19 ("UDOT Contract") between the Receiver and the Utah Department of Transportation ("Utah
20 DOT") attached as Exhibit 9 to the Declaration of Kenton Johnson in support of the First
21 Omnibus Sale Motion and pursuant thereto to sell and transfer to the Utah DOT certain parcels of
22 undeveloped land located in Washington County, Utah title to which is held by Zibby, LLC
23 ("Zibby"), which parcels are more fully described in Exhibit 1 to the UDOT Contract (the
24 "UDOT Property"), in exchange for a cash payment of \$346,800.00 to the receivership estate,
25 with the UDOT Property sold and transferred "as is, where is, with all faults," and without
26 representations or warranties of any kind or nature as more fully set forth in the UDOT Contract,
27 and without further notice, hearing or order or overbidding, and in connection therewith:

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1 (a) An order authorizing the Receiver to sell and transfer the UDOT Property
2 free and clear of the disputed liens of (i) SunFirst Bank, now in receivership with the Federal
3 Deposit Insurance Corporation as Receiver (“SunFirst”), including without limitation the Deed of
4 Trust dated May 19, 2010 and recorded as Doc. No. 20100016665 and the two Hazardous
5 Substances Certificate and Indemnity Agreement dated May 19, 2010 recorded as Doc. No.
6 20100016666 and Doc. No. 2010002061, respectively, (ii) Triple Seven LLC, formerly known as
7 Triple Seven, L.P., including but not limited to the deed of trust with assignment of rents dated
8 February 28, 2010 and recorded as Doc. No. 20100034353, and (iii) the deed of trust with
9 assignment of rents dated July 15, 1979 to secure an indebtedness in the sum of \$12,000 plus
10 interest granted by Dixie Land Enterprises, Inc. as trustor in favor of Leona Ann Downey as
11 beneficiary, recorded July 19, 1979, as Entry No. 206865, in Book 256 at Page(s) 288-290 in the
12 Official Records of the Washington County Recorder, believed to remain on record title in senior
13 position as to a portion of the property through error, with such liens to attach to the proceeds of
14 sale in the same amount, and with the same validity, extent and priority as said liens had against
15 the UDOT Property, and subject to further order of the Court determining the amount, validity,
16 extent and priority of such liens;

17 (b) Authorizing the Receiver to execute all documents and instruments
18 necessary or convenient to complete, implement, effectuate and close the sale of the UDOT
19 Property to the UDOT, including but not limited to the special warranty deed conveying title to
20 the UDOT Property;

21 (c) Authorizing the Receiver to permit and/or cause to be paid from the
22 proceeds of sale of the UDOT Property any ordinary and customary closing costs and expenses
23 required to be paid under the terms of the UDOT Contract by the grantor from the proceeds of
24 sale, and all real property tax liens outstanding and prorated real property taxes due up to the date
25 of closing;

26 (d) Authorizing the Receiver to complete the sale of the UDOT Property
27 without further notice or overbidding in that the sale and transfer of the UDOT Property to the
28 Utah DOT under the UDOT Contract is in lieu of, and avoids, the UDOT Property becoming

1 subject to an eminent domain/condemnation action and seizure by the State of Utah through
2 litigation, and the amount paid to the estate by the UDOT represents the fair market value of the
3 UDOT Property;

4 **The 103 Acres Sale (Two Parcels in Washington County)**

5 5. An order approving and confirming the Receiver's proposed sale of two parcels of
6 undeveloped land located in Washington County, Utah totaling approximately 103.17 acres,
7 exclusive of water rights (the "103 Acres") by private sale for the sum of \$150,000.00 cash ("103
8 Acres Sale") and separately certain water rights more fully described in the 103 Acres/Water
9 Rights Purchase Agreement as defined below ("Water Rights") for the sum of \$64,000.00 cash
10 but contingent upon the Receiver's being able to obtain approval from the State of Utah and/or
11 other applicable state and local authority for the transfer of such water rights (referred to herein
12 for convenience as the "Water Rights Sale") to Douglas and Marcia Topham as buyers (the "103
13 Acres/Water Rights Buyers") pursuant to the terms of that certain Real Estate Purchase Contract
14 for Land dated as of November 16, 2011, Addendum, Additional Terms, Addendum No. 1 to
15 Real Estate Purchase Contract, Addendum No. 2 to Real Estate Purchase Contract, and Limited
16 Agency Consent Agreement (collectively the "103 Acres/Water Rights Purchase Agreement")
17 attached collectively as Exhibit 12 to the Declaration of Kenton Johnson "as is, where is, with all
18 faults," and without representations or warranties of any kind or nature as more fully set forth in
19 the 103 Acres/Water Rights Purchase Agreement and without further notice, hearing or order or
20 overbidding, and in connection therewith:

21 (a) An order authorizing the Receiver to sell and transfer the 103 Acres/Water
22 Rights free and clear of the disputed liens of (i) SunFirst, including without limitation the Deed of
23 Trust dated May 19, 2010 and recorded as Doc. No. 20100016665 and the two Hazardous
24 Substances Certificate and Indemnity Agreement dated May 19, 2010 recorded as Doc. No.
25 20100016666 and Doc. No. 2010002061, respectively, and (ii) Triple Seven LLC, formerly
26 known as Triple Seven, L.P., including but not limited to the deed of trust with assignment of
27 rents dated February 28, 2010 and recorded as Doc. No. 20100034353, with such liens to attach
28 to the proceeds of sale in the same amount, and with the same validity, extent and priority as said

1 liens had against the 103 Acres/Water Rights, and subject to further order of the Court
2 determining the amount, validity, extent and priority of such liens;

3 (b) Authorizing the Receiver to execute all documents and instruments
4 necessary or convenient to complete, implement, effectuate and close the 103 Acres Sale/Water
5 Rights Sale to the 103 Acres/Water Rights Buyers, including but not limited to the deed
6 conveying title to the 103 Acres and the Water Rights;

7 (c) Authorizing the Receiver to permit and/or cause to be paid from the
8 proceeds of sale of the 103 Acres/Water Rights Sale all ordinary and customary closing costs, all
9 costs and expenses required to be paid under the terms of the 103 Acres/Water Rights Purchase
10 Agreement by the seller from the proceeds of sale, all commissions provided for in the 103
11 Acres/Water Rights Purchase Agreement and the Receiver's Exclusive Listing Agreement for the
12 property attached as Exhibit 5 to the Declaration of Kenton Johnson in support of the First
13 Omnibus Sale Motion, all real property tax liens outstanding and prorated real property taxes due
14 up to the date of closing, and liability for assessments due up to the date of closing concerning the
15 Hurricane Valley Fire Special Service District;

16 (d) Authorizing the Receiver to complete the sale of the 103 Acres/Water
17 Rights without further notice or overbidding under the circumstances, including the fact that the
18 proposed sale is for fair market value and is a very favorable, all cash sale subject to prompt
19 closing for property as to which no other potential buyers have been located;

20 6. An order deeming notice of the First Omnibus Sale Motion to be sufficient under
21 Local Civil Rule 66-5 based on the service of this notice of the filing of the First Omnibus Sale
22 Motion and the First Omnibus Sale Motion on all parties and service of this notice of the filing of
23 the First Omnibus Sale Motion on all known non-consumer creditors of the estate and parties in
24 interest asserting liens on the Richfield Property, the UDOT Property and the 103 Acres/Water
25 Rights, and on all known taxing authorities with a potential claim in the receivership estate
26 concurrent with the filing of the First Omnibus Sale Motion with the Court, but not on the tens of
27 thousands of potential consumer creditors; and

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1 7. An order for such additional relief as may be necessary or appropriate to allow the
2 Receiver to effectuate the sale of the foregoing assets, including but not limited to, entry of an
3 order granting the First Omnibus Sale Motion and authorizing the sales of assets in form
4 acceptable to the title company insuring title in connection with the sale of the foregoing
5 properties.

6 The First Omnibus Sale Motion is made pursuant to 28 U.S.C. §§ 2001, 2002 and 2004
7 and Local Civil Rules 7-2 and 66-5 and other applicable law and is based upon this notice of
8 filing of the First Omnibus Sale Motion, the notice of motion and First Omnibus Sale Motion
9 filed concurrently herewith, the memorandum of points and authorities and the Declaration of
10 Kenton Johnson filed in support thereof, any reply, and upon all other pleadings and documentary
11 evidence as may be presented to the Court by the Receiver.

12 **Notice of Special Circumstances Concerning Richfield Sale and Request for**
13 **Determination Regarding Proposed Richfield Sale Upon Expiration of Response Period**

14 As reflected in the Richfield Purchase Agreement and specifically Addendum No. 3
15 thereto, the deadline for closing the Richfield Property sale is February 29, 2012. As detailed
16 hereafter, the Receiver does not believe there are other potential buyers for the Richfield Property
17 at the price subject to the Richfield Purchase Agreement, and given the accruing taxes and debt
18 service, the Receiver does not believe an alternative sale could be obtained that would produce
19 value for the estate. Therefore, the Receiver requests that if no opposition or objection to the
20 Richfield Sale, whether because no opposition or objection is timely asserted to the Motion within
21 the time provided by Local Rule 7-2(b) or any opposition or objection filed does not oppose the
22 Richfield Sale, the Court issue an order forthwith only with respect to the approval of the
23 Richfield Property immediately thereafter. If an interested party timely opposes or objects to the
24 Richfield Sale, the Receiver requests that the Court either forthwith thereafter determine the
25 Motion to approve only the Richfield Sale based on the papers or that a hearing be set at the
26 earliest available date following the opposition/objection filing period under Local Rule 7-2(b) to
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1 determine whether the Motion should be granted immediately only as to the Richfield Property in
2 order to preserve the Richfield Sale for the estate.

3 NOTICE IS FURTHER GIVEN that a copy of the First Omnibus Sale Motion and
4 supporting pleadings will be provided upon written request to the Receiver in care of Robb Evans
5 & Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352-1121;
6 Telephone (818) 768-8100; Facsimile: (818) 768-8802.

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Dated: February 3, 2012

Respectfully submitted,

RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

By: /s/ Gary Owen Caris

Gary Owen Caris
Lesley Anne Hawes

Attorneys for Receiver
**ROBB EVANS OF ROBB EVANS &
ASSOCIATES LLC**